

REED STRINGHAM # 4679
Assistant Attorney General
SEAN D. REYES #7969
Utah Attorney General
160 East 300 South, 5th Floor
P.O. Box 140874
Salt Lake City, Utah 84114-0874
Telephone: (801) 366-0375

Attorneys for Utah Insurance Department

BEFORE THE UTAH INSURANCE COMMISSIONER

UTAH INSURANCE DEPARTMENT, Complainant, vs. JUAB TITLE & ABSTRACT CO., CRAIG J. SPERRY, MARY LOU SPERRY, Respondents.	FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER Docket No. 2017-027 PC Enforcement No. 3822 Lisa Watts Baskin Presiding Officer
---	---

Complainant Utah Insurance Department (“the Department”) and Respondents Juab Title & Abstract Co, Craig J. Sperry and Mary Lou Sperry have stipulated to entry of the following Findings of Fact, Conclusions of Law, and Order. Based on that stipulation, and good cause appearing, the Presiding Officer makes and enters the following:

FINDINGS OF FACT

1. Respondent Juab Title & Abstract Co. (“Juab Title”) is a Utah corporation and was formed to engage in title and escrow work and in real estate development. At all

relevant times, Juab Title has been licensed by the Department as an agency title insurance producer.

2. At all material times, Respondents Craig Sperry and Mary Lou Sperry were licensed by the Department and were designated by Juab Title as individual title insurance producers.

3. Mary Lou Sperry was at all relevant times the President of Juab Title.

4. Cliff View, LLC (“Cliff View”) is a Utah limited liability company formed in 2010 for the purpose of engaging in real estate development and sales. At all relevant times, its member was Craig Sperry. According to its Operating Agreement, and with approval of its member, Cliff View has authority to provide financing for real estate sales transactions.

5. Salt Creek Trust (“the Trust”) was established in 1999 for the benefit of its Trustors Craig Sperry and Mary Lou Sperry. At all relevant times, Juab Title was the trustee of the Trust.

6. On five occasions between August 9, 2013 and June 18, 2014, as alleged in paragraphs 18.A through 18.E of the Complaint in this matter, Juab Title provided title and escrow services on real property where Cliff View, a company owned by Craig Sperry, provided an existing or anticipated investment loan or financing.

7. At all material times, Juab Title’s clients included the Trust and Cliff View.

8. Juab Title and those clients shared the same address at 240 N. Main Street, Nephi, UT.

CONCLUSIONS OF LAW

1. The Utah Insurance Commissioner has jurisdiction over the parties and this formal proceeding pursuant to Utah Code §§ 31A-1-105, 31A-2-201 and 31A-2-308.
2. At all material times, Respondent Craig Sperry was designated as an individual title insurance producer by Juab Title and in that role (a) had statutory authority to act on Juab Title's behalf, and (b) was rebuttably presumed to be acting on Juab Title's behalf with respect to the matters at issue, pursuant to Utah Code § 31A-23a-302(6).
3. At all material times, Respondent Mary Lou Sperry acted on behalf of Juab Title with respect to the matters at issue pursuant to Utah Code § 31A-23a-302(6).
4. To promote fair competition in the title insurance industry, Utah law states that individual and agency title insurance producers cannot provide a "material inducement" to obtain title insurance business. Utah Code § 31A-23a-402(2)(a)(iv).
5. The Utah Insurance Department's administrative rule on material inducements states that a title insurance producer cannot "provide title or escrow services on real property where an existing or anticipated investment loan or financing has been or will be [directly or indirectly] provided by said title producer, including its owners or employees." Utah Admin. Code R592-6-4(21)(a).
6. The conduct described in Finding of Fact No. 6 constitutes violations of the material inducement prohibitions set forth in Utah Code § 31A-23a-402(2)(a)(iv) and Utah Admin. Code R592-6-4(21)(a).

7. The Utah Insurance Department's administrative rule on material inducements defines a prohibited material inducement as "[t]he co-habitation or sharing of office space with a client of a title producer." Utah Admin. Code R592-6-4(10).

8. The conduct described in Finding of Fact Nos. 7-8 constitutes violations of the material inducement prohibitions set forth in Utah Code § 31A-23a-402(2)(a)(iv) and Utah Admin. Code R592-6-4(10).

9. The Utah Insurance Commissioner has legal authority to impose penalties on the Department's licensees who violate the Utah Insurance Code. Utah Code § 31A-2-308.

10. As penalties for the violations in this case, Respondents should be ordered to pay in equal amounts a forfeiture of \$20,000, \$5,000 for the violations described in Conclusions of Law No. 6 and \$15,000 for the violations described in Conclusions of Law No. 8.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is ordered:

1. Respondents shall pay in equal amounts a forfeiture of \$20,000 for the violations described in Conclusions of Law Nos. 6 and 8.

2. Respondents are ordered not to commit the violations described in Conclusions of Law Nos. 6 and 8 in the future.


3. The Utah Insurance Department licenses of Respondents Juab Title and Mary Lou Sperry are placed on probation for a period of twenty-four months beginning on the date this order is signed.

4. If Respondent Craig Sperry seeks reinstatement of his now-lapsed licensed, and if reinstatement is granted, that license shall be on probation for a period of twenty-four months beginning on the date of reinstatement.

5. Claims 1, 3 and 4 in the Complaint are dismissed with prejudice.

DATED this 28th day of June, 2017.

TODD E. KISER
Utah Insurance Commissioner


LISA WATTS BASKIN
Presiding Officer
Utah Insurance Department

NOTICE TO RESPONDENT

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation. You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

CERTIFICATE OF MAILING

The undersigned hereby certifies that on this date, a true and correct copy of the **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER** was electronically mailed to the following:

Ronald G. Russell: rrussell@parrbrown.com

Dated this 28th day of June, 2017



JEANNE MITCHELL
UTAH INSURANCE DEPARTMENT
STATE OFFICE BUILDING, ROOM 3110
SALT LAKE CITY, UT 84114-6901

UTAH
Invoice - Original

JUAB TITLE & ABSTRACT COMPANY
PO BOX 246
NEPHI UT 84648-0246

Printed Date: June 28, 2017
Invoice Date: June 28, 2017
Balance Due: \$20,000.00
Due Date: August 2, 2017
Invoice ID: 954498
Payor ID: 6835

Date	Item Description	Amount	
06-28-2017	Monetary Penalty Agency	\$20,000.00	DKT #2017-027PC E-CASE #3822

No Adjustments

No Payments

Balance Amount Due \$20,000.00

UTAH
Invoice - Original

Make check payable to: Utah Insurance Department
Send payment to:
Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901

Invoice Date: June 28, 2017
Balance Due: \$20,000.00
Due Date: August 2, 2017
Invoice ID: 954498
Payor ID: 6835

Or (PREFERRED METHOD) pay online at:
<https://secure.utah.gov/ips/uidrenewal>

Detach and Return this Voucher with Payment
Payments Will Not Be Processed without Voucher